



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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May 19, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE THE USE OF INFORMATION TECHNOLOGY FUND MONIES FOR
CONSULTING SERVICES TO PERFORM THE REQUIREMENTS ANALYSIS
AND IMPLEMENTATION PLANNING FOR A COUNTY
INTEGRATED PROPERTY TAX SYSTEM
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Auditor-Controller, Treasurer and Tax Collector, and Acting Chief Information Officer are requesting authorization to utilize \$1.5 million from the Information Technology Fund (ITF) for the first phase, Requirements Analysis and Implementation Planning, of a County integrated property tax system (eTAX).

**JOINT RECOMMENDATION WITH THE ACTING CHIEF INFORMATION OFFICER
AND TREASURER AND TAX COLLECTOR THAT YOUR BOARD:**

1. Approve and authorize the use of \$1.5 million from the Information Technology Fund to obtain consulting services for the first phase of the eTAX project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County's legacy property tax systems include the Secured and Unsecured Tax Rolls, Secured and Unsecured Delinquencies, Automated Refunds, Supplemental Tax Rolls and the corresponding Apportionment and Distribution Systems developed between the 1960's and 1990's. These disparate property tax systems perform the assessment, billing, collection, and distribution activities for property taxes in excess of \$13.5 billion in property tax revenues annually and no longer adequately accommodate

the needs of the property tax departments. Additionally, the limitations of these ineffective systems require many unnecessary manual, staff-intensive fixes, and temporary procedures that create inefficient business processes. Many file interfaces have also been developed to transfer data between these systems that were built independently over three decades.

The property tax departments propose to replace these disparate legacy systems with a single integrated property tax system that incorporates all tax rolls within a common database to provide:

- Faster and more reliable access to property tax data;
- Improved information integrity and timeliness for updating information;
- Improved and streamlined work processes across the tax administration departments; and
- Enhanced information management and service delivery by leveraging contemporary technologies.

The ITF funds for the first phase of the eTAX Project are for consulting services to:

- Assist in defining business requirements for eTAX;
- Develop an implementation plan and estimated costs;
- Develop a logical or business architecture for eTAX; and
- Assist in drafting a Request for Proposal for software and implementation services.

Implementation of Strategic Plan Goals

The recommended action is consistent with the Strategic Plan goal for Operational Effectiveness to promote, share, and coordinate information technology services, which are cost-effective, reliable, accessible, and secure, to achieve operational improvements and County business goals.

FISCAL IMPACT/FINANCING

In its Fiscal Year 2008-09 Adopted Budget, the Auditor-Controller received \$1.5 million from the Chief Executive Officer's (CEO) Information Technology Fund for the first phase of the eTAX Project. In September 2008, due to the tight fiscal situation, the CEO withdrew the \$1.5 million and directed the Auditor-Controller to pursue ITF Funds for purposes of this project. The ITF Committee voted on January 26, 2009 to recommend funding in the amount of \$1.5 million to acquire consulting services for the first phase of eTAX.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

At its meeting on September 15, 1998, your Board approved a joint recommendation from the Chief Administrative Officer and the Chief Information Officer to create the ITF and delegate the authority to review, approve and fund projects, up to \$100,000, to the Chief Information Officer, with funding requests greater than \$100,000 requiring approval by your Board.

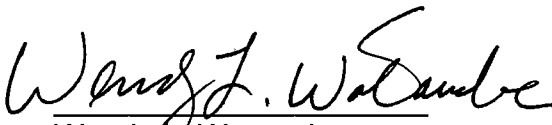
CONTRACTING PROCESS

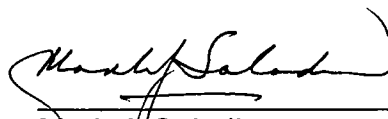
Upon approval of this ITF funding request, the Auditor-Controller will work with the Treasurer and Tax Collector, Chief Information Office and the Internal Services Department to issue an Information Technology Support Services Master Agreement (ITSSMA) Work Order Availability Notice to acquire the services of an outside consultant for the requirements analysis. Per the established ITSSMA process, the Chief Information Office will notify your Board before the Work Order is executed.

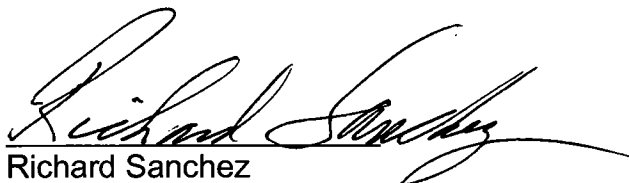
IMPACT ON CURRENT SERVICES

Implementation of an integrated property tax system will help streamline the County's tax administration processes, improve access to property tax information, and enhance the delivery of services to tax payers. eTAX will utilize the property tax rolls to compute and generate property tax bills but will not include automating the business processes of the Office of the Assessor. As such, the eTAX project will have minimal impact to the business operations of the Office of the Assessor.

Respectfully submitted,


Wendy L. Watanabe
Auditor-Controller


Mark J. Saladino
Treasurer and Tax Collector


Richard Sanchez
Acting Chief Information Officer

c: Chief Executive Office
Information Technology Fund Committee
eTAX Executive Steering Committee